



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

December 8, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LAC+USC MEDICAL CENTER REPLACEMENT FACILITY
LABORATORY REDESIGN AND CONSTRUCTION
CHANGE ORDER
SPEC. 6550; (C.P. NO. 70787)
(First District) (4 Votes)**

**JOINT RECOMMENDATIONS WITH THE CHIEF ADMINISTRATIVE OFFICER AND THE
DIRECTOR OF PUBLIC WORKS THAT YOUR BOARD:**

1. Find that the recommended changes to the project are categorically exempt under California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines, Section 15301(a) and Class 1, Subsection (d) of the County of Los Angeles Revised Environmental Document Reporting Procedures and Guidelines, adopted by your Board on November 17, 1987.
2. Approve the design and construction changes necessary to re-design the laboratory automated robotic system and associated system components. The estimated cost is not-to-exceed \$1,100,000, which includes \$128,000 in additional architectural design fees, \$957,000 in estimated additional construction costs, and \$15,000 in estimated miscellaneous permitting fees. Health Services will fund \$700,000 from the Fiscal Year 2005-06 LAC+USC Medical Center Operating Budget and the remaining \$400,000 will be funded from the LAC+USC Medical Center Replacement Project construction contingency.
3. Approve and authorize the Director of Public Works to execute a Change Order to Contract PW-12641 with McCarthy/Clark/Hunt, a Joint Venture (MCH), for construction work necessary to accommodate the above change for an estimated amount not-to-exceed \$957,000.

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

4. Approve the enclosed appropriation adjustment in the amount of \$700,000 to reallocate funding from the Fiscal Year 2005-06 LAC+USC Medical Center Operating Budget to the Fiscal Year 2005-06 LAC+USC Medical Center Replacement Facility Capital Project for the cost of the recommended changes.
5. Approve the revised project budget of \$822,666,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of the recommended actions is to implement the Department of Health Services (DHS) requested changes for modifications to the laboratory at the LAC+USC Replacement Facility, implement changes required for omitted scope in the laboratory and provide the financing for these requested changes.

When the medical equipment program for the project was developed by DHS in 1998-99, consistent with the industry practice in laboratory management, the Department selected a robotic automated laboratory system. The use of robotics is designed to increase efficiency and maximize the capacity of the laboratory in processing various laboratory tests (e.g., blood or urine analyses). The system that was originally specified was proprietary in nature, and would have required that the hospital utilize the same vendor for all types of analyzers, thus limiting the flexibility to take advantage of new technologies in this area. Over the years, technology and manufacturing competition has improved and this change will enable DHS to implement a non-proprietary system that is capable of accepting analyzers from various vendors and improve the efficiency and quality of managing laboratory testing. The recommended actions are needed to accommodate the non-proprietary automated robotic line and the associated system layout.

Construction Change Order

DHS' requested revisions of the laboratory automated robotic system are estimated to cost \$557,000 and will be funded from Health Services' Fiscal Year 2005-06 LAC+USC Medical Center Operating Budget. Additional laboratory changes are considered errors and omissions by the architect and have an estimated not-to-exceed amount of \$400,000. The errors and omissions amount of \$400,000 will be funded from the LAC+USC Medical Center Replacement Project construction contingency.

The above recommended changes will require a change order to the construction contract. Under delegated authority, DPW issued a proceed order in the amount of \$150,000 in September 2005, to allow the contractor to proceed with additional overhead piping and to avoid delay impacts. The preliminary not-to-exceed construction estimate for this change is \$957,000, which include the previously issued proceed order. The Project Advisory Committee for the Replacement Facility has reviewed the requested change.

Implementation of Strategic Plan Goals

The actions meet the County's Strategic Plan Goal of Service Excellence by promoting best practice in patient care and the Goal of Fiscal Responsibility by investing in the public infrastructure.

Consistency with DHS System Redesign

These actions meet the Department's strategic goals by improving the health care provided by DHS and enhancing the health of the residents of the County of Los Angeles.

FISCAL IMPACT/FINANCING:

On October 11, 2005, your Board approved upgrades to the wireless system infrastructure and computer room for a total cost of \$1,408,000 and increased the total project budget to \$821,966,000.

The total estimated not-to-exceed cost for these changes is \$1,100,000. Health Services will fund \$700,000 from the Fiscal Year 2005-06 LAC+USC Medical Center Operating Budget for the costs associated with this scope change. The remaining \$400,000 will be funded under the LAC+USC Medical Center Replacement Project construction contingency. As a result of these changes, the revised total cost of the project is \$822,666,000.

The project budget is funded from the combination of a Federal Emergency Management Agency (FEMA) grant and short and long-term borrowing.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The proposed change order requires your Board's approval because it is expected to exceed the \$150,000 limit delegated to the Director of Public Works pursuant to Public Contract Code Section 20142.

Supplemental Agreements for the additional architectural design services will be executed by the Department of Public Works under delegated authority.

ENVIRONMENTAL DOCUMENTATION:

On June 6, 2000, your Board certified the Environmental Impact Report/Environmental Assessment (EIR/EA) for the project. On June 7, 2000, FEMA issued a Findings of No Significant Impact for the project and approved the EIR/EA. The recommended changes to the project do not result in any environmental impacts that are not considered in the approved EIR/EA. The recommended changes to the project are categorically exempt under CEQA pursuant to the State CEQA Guidelines, Section 15301(a) and Class 1(d) of the County of Los Angeles Revised Environmental Document Reporting Procedures and Guidelines, adopted by your Board on November 17, 1987.

CONTRACTING PROCESS:

Design Services

On October 1, 1998, your Board awarded Agreement PW11875 for \$45,025,000 to HOK/LBL to provide architectural design services, construction administration, and medical equipment planning for the LAC+USC Medical Center Replacement Facility. HOK/LBL has reviewed the proposed changes to the laboratory automated robotic system and submitted proposals for these supplemental services for a fee not to exceed \$128,000. Public Works considers this fee to be fair and reasonable for the work involved. This represents a 0.28 percent increase of the original agreement amount. When added to previously approved supplemental agreements, this increases the value of Agreement PW11875 to \$45,744,964, which represents a 1.60 percent total increase for all Supplemental Agreements.

Additional Construction Cost

On December 3, 2002, your Board awarded Contract PW12461 to MCH for \$497,883,000 to construct the LAC+USC Medical Center Replacement Project.

As a result of the proposed changes, the contractor must provide work beyond that included in the contract documents. By implementing the proposed changes now, we can minimize possible schedule delays and impacts due to limited work area availability and their resulting higher construction costs.

The laboratory automated robotic system changed in orientation and layout. The revisions resulted in changes to the laboratory chemical resistant counter tops and shelving units, along with the corresponding medical equipment and laboratory utilities. We estimate that the construction cost of implementing these changes will not exceed \$557,000.

During the course of the laboratory redesign, errors and omissions in several laboratory systems were identified and corrected. These systems include the deionized water system for the robotics line, the helium and hydrogen piping for specific laboratory equipment and other miscellaneous laboratory utilities. The cost of these corrections is estimated not-to-exceed \$400,000.

Cost negotiation of this change with MCH has not been finalized. We estimate that the total cost will not exceed \$957,000 with no delay to the project completion date. However, if the final value of the change order exceeds the cost estimate, we will return to your Board for approval.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

The existing hospital and all patient care services will remain operational throughout the entire construction period. The project specifications include instructions to the contractor to comply with specific construction constraints from the EIR/EA that will be used to control construction generated dust, noise, and traffic within acceptable thresholds.

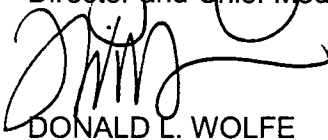
Honorable Board of Supervisors
December 8, 2005
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Upon approval by your Board, the Executive Officer, Board of Supervisors, is requested to return three adopted copies of this letter to the Department of Health Services, Chief Administrative Office (Capital Projects), and Public Works.

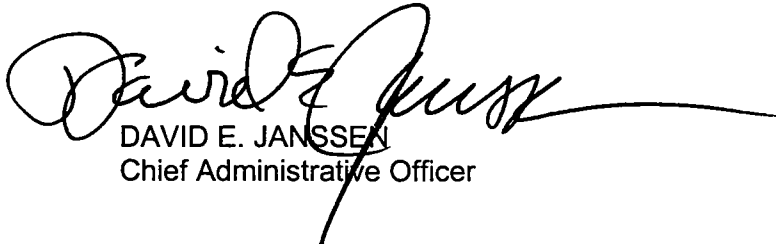
Respectfully submitted,



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer



DONALD L. WOLFE
for Director of Public Works



DAVID E. JANSSEN
Chief Administrative Officer

TLG:DEJ:DLW:ame
dhs core lab 12-7-05 final.doc

Attachments (2)

c: County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Office of Affirmative Action Compliance

ENCLOSURE A

**LAC+USC MEDICAL CENTER REPLACEMENT FACILITY
AUTHORIZATION OF THE LABORATORY REDESIGN AND CONSTRUCTION
CONSTRUCTION CHANGE ORDER
SPECS. 6550; C.P. 70787**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date	Actual Completion Date
Board Award Design Contract	07/98	07/98
Construction Documents	09/00	09/00
Jurisdictional Approvals	05/02	05/02
Award of Construction	12/03	12/03
Construction Start	01/03	01/03
Acceptance of Project	06/07	

II. PROJECT BUDGET SUMMARY

Budget Category	Current Board Approved Budget	Impact of this Action	Revised Project Budget
Land Acquisition	\$12,250,000	\$0	\$12,250,000
Make Ready (Bid Package A-1)	\$9,800,000	\$0	\$9,800,000
Construction			
Site Preparation	\$11,813,750	\$0	\$11,813,750
Remaining Construction Work			
(a) Base Bid	\$497,883,000	\$0	\$497,883,000
(b) Base Isolator Bearings	\$814,626	\$0	\$814,626
(c) Contingency	\$55,422,027	\$557,000	\$55,979,027
Remaining Work Subtotal	\$554,119,653	\$557,000	\$554,676,653
Construction Total	\$565,933,403		\$566,490,403
Equipment (Medical, Telecommunications/Data, and FFE)	\$82,257,597	\$0	\$82,257,597
Architectural Services	\$49,731,000	\$128,000	\$49,859,000
Consultants and Vendor Services	\$72,498,000	\$0	\$72,498,000
Permits and Fees	\$9,162,000	\$15,000	\$9,177,000
County Services	\$20,334,000	\$0	\$20,334,000
TOTAL	\$821,966,000	\$700,000	\$822,666,000

76R 382M 11/03

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENTDEPT'S.
No.

DEPARTMENT OF

Health Services

December 7, 2005

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

4-VOTE

Fiscal Year 2005-06

Please see attached for details.

Justification:

This budget adjustment is to transfer funding from the LAC+USC Medical Center operating budget to the LAC+USC Medical Center Replacement Facility Capital Project to fund change request for the core laboratory redesign.

EM:js
12/07/05
Efraim Munoz, Chief

DHS Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR

ACTION

APPROVED AS REQUESTED

AS REVISED

RECOMMENDATION

DECEMBER 8, 2005

CHIEF ADMINISTRATIVE OFFICER

AUDITOR-CONTROLLER BY

BY

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

No. 204

DEC. 8 2005

BY

DEPUTY COUNTY CLERK

DEPT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FY 2005-06

Dept No. 160

(4-VOTE)
FY 05-06

Sources:

LAC+USC Healthcare Network
MN4-HG-60010-1000
Salaries & Employee Benefits \$700,000

LAC+USC Replacement Project
J17-CP-70787-9919
Operating Transfers In - CP \$700,000

Total \$1,400,000

Uses:

LAC+USC Healthcare Network
MN4-HG-60010-6100
Other Financing Uses \$700,000

LAC+USC Replacement Project
J17-CP-70787-6014
Buildings & Improvements \$700,000

Total \$1,400,000

Justification:

This budget adjustment is to transfer funding from the LAC+USC Medical Center operating budget to the LAC+USC Medical Center Replacement Facility Capital Project to fund change requests for the wireless system infrastructure and the main computer room.

EM:js
12/7/2005


Efrain Munoz, Chief
DHS Controller's Division